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IN THE

# Supreme Court of the United States

OCTOBER TERM, 1964

No. 960

PENNCO ENGINEERING COMPANY,
*Petitioner,*

*v.*

ALLIED CHEMICAL CORPORATION,
*Respondent.*

## RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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## RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

There is nothing about this ordinary patent case which warrants a review by this Court on the merits.

The decision of the Court of Appeals for the Fourth Circuit, holding petitioner's refrigerant container patent invalid, is manifestly right. There is no conflict between decisions of Courts of Appeals on the same matter. No question of public importance is involved. There has been no departure from the accepted and usual course of judicial proceedings. In short, there is no special or important reason why the writ prayed for should be granted.

### OPINIONS BELOW

The per curiam opinion of the Court of Appeals for the Fourth Circuit is reported at 339 F. 2d 260. The memorandum opinion of the District Court for the Eastern District of Virginia is reported at 235 F. Supp. 625. The District Court's opinion included thirty-one numbered findings of fact and eight numbered conclusions of law.

Both opinions below are printed in petitioner's separate fourteen-page appendix to the petition.

## JURISDICTION

The jurisdiction of this Court is invoked by petitioner under 28 U. S. C. § 1254 (1).

## QUESTIONS PRESENTED

Questions 1 and 2 of petitioner's "Questions Presented" are framed to create the erroneous impression that the holding of invalidity below was based principally on the District Court's interpretation of one prior art patent, and that the answers to these questions are dispositive with respect to the issue of patent invalidity.

Questions 1 and 2 relate to what was or was not disclosed in only one (Underhill patent 2,234,458) of several prior art references relied on by respondent in support of its defense of patent invalidity for lack of invention over the prior art. Question 1 does not contain even the slightest hint that the conclusion of invalidity was based also on another ground, separate and distinct from lack of patentable invention, or that the single item of prior art which is the subject of petitioner's questions was only one of several prior art references which impelled the Courts below to conclude that the Nusbaum patent did not deserve the accolade of patentable invention.

The conclusions of law entered by the District Court, and characterized as "sound" by the Court of Appeals, make this unmistakably clear. With respect to patent invalidity, the District Court concluded (App. 12*):

> "4. United States Patent No. 2,956,708 is invalid in its entirety on the following grounds:
>
> "(a) The slight modification of a propane pot to adapt it for the dispensing of refrigerants

*The abbreviation "App." is used in this brief to refer to petitioner's fourteen-page "Appendix to Petition for Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit."

does not constitute invention. An old device is not made patentable by applying it to a new use. *General Electric Co.* v. *Jewel*, 326 U. S. 242 (1945); *American Monorail Co.* v. *Parks Cramer Co.*, 245 F. 2d 739 (4th Cir. 1957).

"(b) The difference between Pennco's refrigerant container and the prior art (propane pots) as disclosed by Underhill, United States Patent No. 2,234.458, dated March 11, 1941; Industrie Werke Karlsruhe, Belgian Patent No. 514,045, dated September 30, 1952; Pressed Steel Tank Company drawings; Butane-Propane News Catalogs; and the Green's Fuel propane pot 'are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.' 35 U. S. C. 103; *A & P Tea Co.* v. *Supermarket Corp.*, 340 U. S. 147 (1950)"

As we will demonstrate, the Courts below were correct in holding petitioner's patent invalid on either of these grounds.

Petitioner's second question relates to the statutory presumption of validity. This presumption has been frequently brushed aside when Courts have concluded that a patent was improvidently granted by the Patent Office. Furthermore, on the issue of patent invalidity, the Courts below had the benefit not only of the Underhill patent, which was not cited by the Patent Office examiner, but also of other evidence not before the Patent Office.

Petitioner's third question invites this Court to review the legal standards applied by the Courts below in holding the patent in suit "invalid for lack of invention." The legal

standards applied were those of the current statute (35 U. S. C. § 103), and were entirely consonant with the standards expressed and repeatedly applied by this Court in patent infringement cases. These standards were clearly applicable to the facts found below. Any further review by this Court would require a consideration of the findings of fact, and petitioner does not contend that any of these is clearly erroneous.

The only question presented here is whether or not petitioner, defeated in the Courts below, is entitled to another hearing on the merits with respect to the validity of his patent. But, as stated in *Magnum Co.* v. *Coty*, 262 U. S. 159, 163 (1923):

> ". . . The jurisdiction [to bring up cases by certiorari] was not conferred upon this Court merely to give the defeated party in the Circuit Court of Appeals another hearing."

## STATEMENT OF THE CASE

This is an action for alleged infringement of petitioner's Nusbaum patent 2,956,708, issued October 18, 1960, for "Dispensing Containers for Refrigerants."

The action was tried before the United States District Court for the Eastern District of Virginia in July, 1963. Following extensive briefs and oral argument, the District Court filed its memorandum opinion, findings of fact, conclusions of law, and decree holding the patent invalid.

The Court of Appeals affirmed per curiam, the full text of the opinion reading (App. 14):

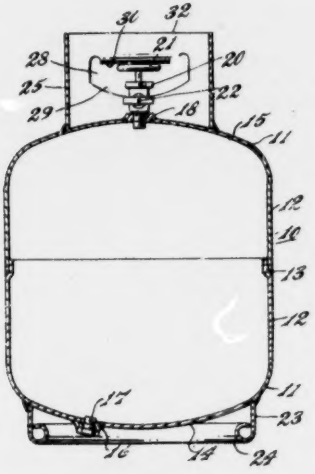
> "The District Court has made a thorough analysis of the case. Its findings are well supported and we perceive no error; its conclusions of law are

sound. We affirm upon the court's opinion, 235 F. Supp. 625."

The Nusbaum patent (FF 5-8;* App. 3-4) shows and describes a container for refrigerants which can be used in the right-side-up or the upside-down position, and relates to details of construction for accomplishing this purpose.

The petition discusses briefly and in general terms the construction of the refrigerant container of the patent in suit. A more detailed description of the container of the patent helps to place Nusbaum's contribution in proper perspective.

Figure 1 of the drawings of the Nusbaum patent (143a)** is reproduced below.




*The abbreviation "FF" refers to the District Court's findings of fact.

**A number followed by the letter "a" identifies the page of appellant's appendix in the Court of Appeals, one copy of which has been filed here by petitioner.

The refrigerant container of the patent is a metal cylinder, closed at both ends. It is provided at the top with a dispensing valve 20 and a protective collar 25 for the valve, and is provided at the bottom with a collar or "foot-ring" 23. The dispensing valve has an outlet 22 for connecting it to a flexible delivery pipe, which is in turn connected to the equipment to be serviced.

The top collar 25, which is of lesser diameter than the container, extends beyond and surrounds the valve, except for an opening at one side. Opposite the opening is a slot or "handhold" 28 for carrying the container. The bottom collar 23 is larger in diameter that the top collar, their relative dimensions permitting the containers to be stacked with the bottom of each upper container resting on the top collar of the container below it.

In the right-side-up position, as shown in Figure 1, the container is supported by the foot-ring or bottom collar. In this position, the refrigerant is dispensed in gas form.

In the upside-down position the container is supported by the top collar 25, which is attached to the top of the cylinder and which partially surrounds and extends beyond the valve. When the container is in this position, the opening in the top collar permits the operator to insert his hand to operate the valve. In the upside-down position, the refrigerant is dispensed in liquid form, at a faster rate than in gas form when the container is right-side-up, thus saving time of the service man.

With respect to the Nusbaum patent, the District Court found (FF 10; App. 5):

> "The principal inventive concept claimed by the plaintiff is the relationship of collar height to valve height which permits manual access to the valve for dispensing liquid refrigerant when the container is inverted, the valve is down and the collar supports

the container. This was achieved by lengthening the collar."

Many of the features of the container shown and described in the Nusbaum patent are old and not a part of Nusbaum's "invention." The District Court found (FF 9; App. 4):

> "The validity of patent is not based upon the following features of the refrigerant container (all of which were known to the industry):
>
> "The use of a container to dispense refrigerant in either liquid or gaseous form;
>
> "The use of a container in the upright or inverted position;
>
> "The metal cylinder or its various sizes;
>
> "The valve;
>
> "The hand wheel for operating the valve;
>
> "The collar on the top of the container which served to protect the valve;
>
> "The handhold in the collar for carrying the container;
>
> "The fuse plug;
>
> "The foot ring for protection of the fuse plug and for stacking."

This extensive catalog of old features makes it apparent that there was little room left for Nusbaum to exercise any ingenuity, and that his limited contribution is not of the calibre on which a seventeen-year patent monopoly should properly be based.

## REASONS FOR DENYING THE WRIT

### 1. The holding of invalidity below is manifestly correct

The Court of Appeals properly characterized the findings of the District Court as "well supported." These find-

ings include a careful and accurate analysis of the disclosure of the Nusbaum patent and its close relationship to the prior art (FF 17-28; App. 7-11). Based on this analysis, the District Court, citing the controlling decisions of its Court of Appeals and of the Supreme Court of the United States, concluded that the Nusbaum claims were invalid because "An old device is not made patentable by applying it to a new use," and also for lack of patentable invention under 35 U. S. C. § 103 (App. 12).

The Court of Appeals approved the "thorough analysis of the case" made by the District Court and affirmed the holding of patent invalidity.

Respondent successfully urged in the Courts below that the Nusbaum refrigerant containers were nothing more than a new use of an old kind of "propane pot." Propane pots are pressure containers for containing and dispensing liquefied petroleum gas. They had been previously manufactured, advertised and sold by Pressed Steel Tank Company and other pressure container manufacturers (316a-319a, 321a, 322a, 325a-327a, 336a), and were exemplified by a prior propane pot demonstrated in open court (93a-94a, 125a). The evidence included various showings of such prior art propane pots which were suitable for, and substantially copied by Nusbaum for, refrigerant containers (31a-47a, 70a).

There was no contention made by respondent that these propane pots were used in the upside-down position, but the evidence and the findings leave no room for doubt that they were used for holding and dispensing liquefied petroleum gas long before Nusbaum's "invention." The District Court quite properly found that "all structural details of the container of the Nusbaum patent were found in prior propane pots," including collars of sufficient height to provide ample hand access to the valves (FF 22, 28; App. 9, 10), and that "the chief difference between refrigerant containers and propane pots is the use to which each is put" (FF 20; App. 8).

The virtual identity between these propane pots and Nusbaum's container was not a result of happenstance. A few weeks before he made his "invention," Nusbaum approached Pressed Steel Tank Company, then known by Nusbaum to be a propane pot manufacturer, in order to arrange for manufacture by Pressed Steel Tank Company of refrigerant containers for Nusbaum (FF 29; App. 11) (31a-32a). The first sample container received by Nusbaum from Pressed Steel Tank Company did not provide ample hand access to the valve when the container was in the upside-down position. This shortcoming was immediately apparent and the "problem" was promptly eliminated by Nusbaum's "contribution": the addition of one inch to the height of the collar (FF 30; App. 11) (36a-39a).

Because of the close similarity, if not identity, between the patented containers and the prior propane pots, the Courts below were fully justified in holding the Nusbaum patent claims invalid, on the settled doctrine that a new use of an old device is not a proper basis for a seventeen-year patent monopoly. This doctrine was clearly enunciated by this Court in *General Electric Co.* v. *Jewel Co.*, 326 U. S. 242, 249 (1945):

> ". . . Where there has been use of an article or where the method of its manufacture is known, more than a new advantage of the product must be discovered in order to claim invention . . . It is not invention to perceive that the product which others had discovered had qualities they failed to detect."

The Courts below were also correct in concluding that the Nusbaum patent was invalid under § 103 of the 1952 Patent Act (35 U. S. C. § 103) on the ground that the refrigerant container of the patent would have been "obvious" to one having ordinary skill in the art, and there-

fore lacked patentable invention. The findings with respect to the prior art relied on in support of this conclusion make it apparent that Nusbaum added only inconsequentially, if at all, to what had preceded him, and that his contribution was indeed obvious, requiring nothing more than commonplace skill.

All of the elements of the Nusbaum container were old, and the prior Underhill patent, not cited by the Patent Office, taught the use of a refrigerant container in either the right-side-up or the upside-down position (FF 26; App. 10). Nusbaum's utilization of old and well-known propane pots which had collars suitable for supporting them in the upside-down position was an obvious use for an obvious purpose, clearly suggested by the prior Underhill patent.

Much of the petition is devoted to a discussion of this prior Underhill patent. Petitioner's comments with respect to what it asserts to be shortcomings in the Underhill disclosure and petitioner's criticisms of the reliance on Underhill by the Courts below are, we believe, unwarranted.

Findings 24 through 27 (App. 9-10) relate to the Underhill patent. The patent shows and describes a container for "Freon," the same refrigerant that is referred to in the Nusbaum patent. The Underhill container is shown in the right-side-up position and the upside-down position, and, when in the latter position, with access through the cage-like support for an operator's hand to reach the valve. The Underhill specification does not expressly refer, in so many words, to the detail of turning the valve on and off to discharge part of the contents in the upside-down position. This concept is nevertheless taught by implication and indeed is inherent in the Underhill disclosure, and the District Court's findings with regard to Underhill are amply supported.

Moreover, the authorities relied on by petitioner in support of its contentions regarding Underhill are not apposite.

Two of these authorities (*Topliff* v. *Topliff*, 145 U. S. 156 (1892), and *Fulton Co.* v. *Bishop & Babcock Co.*, 284 Fed. 774 (6 Cir. 1922)) deal with "anticipation" (invalidity for lack of "novelty" under 35 U. S. C. § 102) by the prior art reference in question, rather than with lack of "patentable invention" (invalidity under § 103 for "obviousness" over the prior art), and the remaining authority (*Permutit Co.* v. *Graver Corp.*, 284 U. S. 52 (1931)) is directed toward an issue which is not presented here, namely, adequacy of disclosure as required by R. S. § 4888, now § 112 of the 1952 Patent Act.

The impact of the prior art deprives Nusbaum of any color of right to assert that he had made a "substantial innovation . . . for which society is truly indebted to the efforts of the patentee," *Sinclair Co.* v. *Interchemical Corp.*, 325 U. S. 327, 330 (1945).

Apposite here are the remarks of this Court in *Dow Co.* v. *Halliburton Co.*, 324 U. S. 320, 328 (1945):

> ". . . He who is merely the first to utilize the existing fund of public knowledge for new and obvious purposes must be satisfied with whatever fame, personal satisfaction or commercial success he may be able to achieve. Patent monopolies, with all their significant economic and social consequences, are not reserved for those who contribute so insubstantially to that fund of public knowledge."

Petitioner, like most plaintiffs in patent infringement cases, discusses and relies on the presumption of validity. Much of what petitioner says (Petition, p. 10) concerning what did or did not happen in the Patent Office is based on speculation. But, in any event, the presumption is vitiated in this case because not only the Underhill prior art patent, but also much of the evidence before the Courts

below relating to prior propane pots, was not cited by the Patent Office. This was specifically recognized in the District Court's findings (FF 23, 28; App. 9, 10).

The presumption of validity was discussed in the briefs in the trial court and in the Court of Appeals, and the contentions of the parties regarding it were given full consideration. The settled doctrines regarding the limited role of the presumption of validity were correctly applied by the Courts below.

**2. There is no conflict of decisions and no question of public importance is presented**

No other suit has been brought on the Nusbaum patent. Thus, there is no decision on the same matter in conflict with the decision of the Court of Appeals for the Fourth Circuit, here sought to be reviewed.

This case is nothing more than a private controversy regarding patent validity. The Nusbaum refrigerant container patent is plainly not a patent of unusual public importance. Applicable here is the rule stated in *Keller* v. *Adams-Campbell Co.*, 264 U. S. 314, 319 (1924):

> ". . . Such an ordinary patent case with the usual issues of invention, breadth of claims and non-infringement, this Court will not bring here by certiorari unless it be necessary to reconcile decisions of the Circuit Courts of Appeal on the same patent."

The record here does not present any substantial question of Federal law requiring resolution by this Court. This case, relating as it does to the validity of a patent which differs only slightly, if at all, from the prior art is not an appropriate vehicle for interpreting 35 U. S. C. § 103. As demonstrated by the uncontested findings of fact, the Nusbaum patent is invalid, no matter how liberal the standard of invention applied to it.

## CONCLUSION

The petition should be denied.

Respectfully submitted,

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